

FLETCHER & LEE  
Elizabeth Fletcher, Esq.  
Nevada Bar No. 10082  
448 Ridge Street  
Reno, Nevada 89501  
Telephone: 775.324.1011  
Email: efletcher@fletcherlawgroup.com

Attorneys for Thom and Jette Seal

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

In re:

METAL RECOVERY SOLUTIONS, INC.,  
*aka* MRS, INC,  
  
Debtor.

Case No.: 20-50660-gs

Chapter 7 Case

**OPPOSITION TO GEO-LOGIC  
ASSOCIATES, INC.'S MOTION TO  
APPROVE SALE**

Hearing Date: July 19, 2023

Hearing Time: 1:30 p.m.

Thomas Seal ("Dr. Seal"), by and through his counsel, Elizabeth Fletcher, Esq., Fletcher & Lee, hereby opposes Geo-Logic Associates, Inc.'s ("GLA") Motion to Approve Sale (the "Motion"). Docket No. 344. In support of this Opposition, Dr. Seal submits the following memorandum of points and authorities, the attached exhibit, the Declaration of Elizabeth Fletcher, Esq. in Support of the Motion to Approve Sale (the "Fletcher Declaration") and the papers and pleadings on file in this case and the related adversary proceeding, of which Dr. Seal asks the Court to take judicial notice. Fed. R. Evid. 201. Dr. Seal opposes GLA's Motion for the following reasons:

*First*, on July 7, 2023, Dr. Seal delivered a cashier's check made out to the "Estate of Metal Recovery Solutions, Inc." in the amount of \$150,000 to undersigned counsel's office. Fletcher Declaration. Counsel immediately provided the Trustee with a copy of the check. Id. On July 11, 2023, JEX Technologies, Inc. ("JEX") paid the Trustee \$1,100,000. Docket No. 350. As the

1 Trustee had not required immediate delivery of Dr. Seal's cashier's check and undersigned counsel  
2 was required to travel out of town from July 12 – 16, 2023, counsel locked the cashier's check in  
3 a fireproof safe at her residence. Fletcher Declaration. On July 13, 2023, JEX paid the Trustee  
4 the remainder of its share of the purchase price in the amount of \$1,200,000. Docket No. 350. On  
5 July 13, 2023, Trustee's counsel contacted undersigned counsel, who was working remotely, to  
6 request physical delivery of the cashier's check to his office; however, undersigned Counsel was  
7 not able to physically deliver the cashier's check to the Trustee's counsel until July 17, 2023.<sup>1</sup>  
8 Fletcher Declaration. Therefore, as of July 17, 2023, the Trustee was in possession of the total  
9 purchase price of \$2,450,000.

10 **Second**, during the July 6, 2023 hearing, this Court noted that it was well within the  
11 Trustee's discretion to provide Element Global, Inc. ("Element"), the prevailing bidder, and JEX  
12 and Dr. Seal, the backup bidders, with further time to close on the sale. The Court questioned how  
13 GLA even had standing to challenge the Trustee's discretion given that GLA participated in  
14 bidding during the auction but was neither the prevailing bidder nor the backup bidder and, most  
15 importantly, GLA's claim will be ***paid in full*** from the sale proceeds. The Court noted that there  
16 was little to no harm to GLA based on the delay in closing the sale.

17 **Third**, this Court already found – after an evidentiary hearing, which GLA demanded –  
18 that the sale is an arms-length transaction and that "Element Global, Inc., Jex Technologies, Corp.,  
19 and Dr. Seal are entitled to and granted the protections of §363(m) as good faith  
20 purchasers." Docket No. 317. GLA has not been found to be a purchaser, let alone a good faith  
21 purchaser.

22 **Finally**, GLA appears to have other motives in continuing to demand that the Trustee close  
23 the sale with GLA. On July 17, 2023, undersigned counsel sent an email to GLA's counsel  
24 requesting that it withdraw the Motion given that the full purchase price had been paid. Fletcher  
25 Declaration. On July 18, 2023, GLA responded that if the Trustee and the Court believed that it  
26 would be appropriate to proceed with GLA's offer, GLA was prepared to close. Id. The Trustee  
27

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28 <sup>1</sup> Fletcher & Lee's paralegal, Elizabeth Dendary, was also out of town from July 11- 16, 2023.  
Thus, there was no one physically in Reno to deliver the cashier's check to the Trustee.

1 responded that he intended to accept JEX and Dr.'s Seal's payment. Id. Undersigned counsel sent  
2 another email to GLA asking if it still intended to proceed with the Motion now that the Trustee  
3 had indicated that he intended to allow JEX and Dr. Seal to close the sale. Id. As of this filing,  
4 GLA has not responded. A true and correct copy of the email exchange is attached hereto as  
5 Exhibit A; Fletcher Declaration.

6 GLA's refusal to withdraw the Motion is in bad faith. Yet again, GLA has manufactured  
7 this "emergency" to which all parties now must respond, and which requires the Court and all  
8 parties to prepare for and appear at a hearing. GLA has not provided any reason as to why it should  
9 be considered the buyer when it was not the winning bidder or the backup bidder and the Trustee  
10 already has the funds *to pay its claim in full*. By refusing to withdraw the Motion, it is very clear  
11 that GLA – as Dr. Seal has alleged all along – is after more than just payment on its claim, *i.e.*,  
12 GLA wants Dr. Seal's proprietary technology. GLA has given no valid reason for continuing to  
13 press the Motion to make itself the buyer.

14 In sum, the Trustee has used his reasonable business judgment, *with this Court's approval*,  
15 to allow the prevailing and backup bidders more time to close. That has now happened. GLA will  
16 be paid in full; thus, it has not been damaged and has no standing to challenge the Trustee's  
17 decision and compel the Trustee to sell the assets to GLA. Based on the foregoing and any  
18 argument the Court may entertain at the hearing on the Motion, Dr. Seal respectfully requests that  
19 the Court deny the Motion and allow the Trustee to close the sale to JEX and Dr. Seal as intended  
20 in the Sale Motion.

21 DATED this 18<sup>th</sup> day of July, 2023.

22 FLETCHER & LEE

23 /s/ Elizabeth Fletcher, Esq.

24 ELIZABETH FLETCHER, ESQ.  
25  
26  
27  
28

CERTIFICATE OF SERVICE

Pursuant to Fed. R. Civ. P. 5(b), I certify under penalty of perjury that I am an employee of Fletcher & Lee, 448 Ridge Street, Reno, Nevada 89501, and that on July 18, 2023, I served the Opposition to Motion to Approve Sale by ECF to all those persons registered with the United States Bankruptcy Court for electronic notice in this matter as follows:

SETH J. ADAMS on behalf of Creditor DIFFERENTIAL ENGINEERING INC.  
[sadams@woodburnandwedge.com](mailto:sadams@woodburnandwedge.com), [jheston@woodburnandwedge.com](mailto:jheston@woodburnandwedge.com)

SETH J. ADAMS on behalf of Defendant DIFFERENTIAL ENGINEERING, INC.  
[sadams@woodburnandwedge.com](mailto:sadams@woodburnandwedge.com), [jheston@woodburnandwedge.com](mailto:jheston@woodburnandwedge.com)

MICHAEL B. BROWN on behalf of Creditor JEX TECHNOLOGIES CORP.  
[michael.brown@stoel.com](mailto:michael.brown@stoel.com), [dawn.forgeur@stoel.com](mailto:dawn.forgeur@stoel.com), [docketclerk@stoel.com](mailto:docketclerk@stoel.com)

LOUIS M BUBALA, III on behalf of Creditor GEO-LOGIC ASSOCIATES, INC.  
[lbubala@kcnvlaw.com](mailto:lbubala@kcnvlaw.com), [cdroessler@kcnvlaw.com](mailto:cdroessler@kcnvlaw.com); [bsheehan@kcnvlaw.com](mailto:bsheehan@kcnvlaw.com)

LOUIS M BUBALA, III on behalf of Defendant GEO-LOGIC ASSOCIATES, INC.  
[lbubala@kcnvlaw.com](mailto:lbubala@kcnvlaw.com), [cdroessler@kcnvlaw.com](mailto:cdroessler@kcnvlaw.com); [bsheehan@kcnvlaw.com](mailto:bsheehan@kcnvlaw.com)

CHRISTOPHER P. BURKE  
[TRUSTEECBURKE@GMAIL.COM](mailto:TRUSTEECBURKE@GMAIL.COM), [NV35@ecfcbis.com](mailto:NV35@ecfcbis.com)

ELIZABETH A. FLETCHER on behalf of Defendant JETTE SEAL  
[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com), [edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)

ELIZABETH A. FLETCHER on behalf of Defendant THOMAS SEAL  
[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com), [edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)

ELIZABETH A. FLETCHER on behalf of Interested Party JETTE SEAL  
[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com), [edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)

ELIZABETH A. FLETCHER on behalf of Interested Party THOM SEAL  
[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com), [edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)

L. EDWARD HUMPHREY on behalf of Debtor METAL RECOVERY SOLUTIONS, INC.  
[ed@hlawnv.com](mailto:ed@hlawnv.com), [patrick@hlawnv.com](mailto:patrick@hlawnv.com), [monique@hlawnv.com](mailto:monique@hlawnv.com), [megan@hlawnv.com](mailto:megan@hlawnv.com)

L. EDWARD HUMPHREY on behalf of Defendant METAL RECOVERY SOLUTIONS, INC.  
[ed@hlawnv.com](mailto:ed@hlawnv.com), [patrick@hlawnv.com](mailto:patrick@hlawnv.com), [monique@hlawnv.com](mailto:monique@hlawnv.com), [megan@hlawnv.com](mailto:megan@hlawnv.com)

MICHAEL LEHNERS on behalf of Plaintiff CHRISTOPHER P. BURKE  
[michaellhners@yahoo.com](mailto:michaellhners@yahoo.com)

MICHAEL LEHNERS on behalf of Trustee CHRISTOPHER P. BURKE  
[michaellehners@yahoo.com](mailto:michaellehners@yahoo.com)

EDSON K. MCCLELLAN on behalf of Creditor GEO-LOGIC ASSOCIATES, INC.  
[emcclellan@rutan.com](mailto:emcclellan@rutan.com)

RONALD P. OINES on behalf of Creditor GEO-LOGIC ASSOCIATES, INC.  
[roines@rutan.com](mailto:roines@rutan.com), [csolorzano@rutan.com](mailto:csolorzano@rutan.com)

ROBERT T. STEWART on behalf of Creditor JEX TECHNOLOGIES CORP.  
[rtstewart@foley.com](mailto:rtstewart@foley.com), [rgledhill@foley.com](mailto:rgledhill@foley.com); [robert-stewart-3880@ecf.pacerpro.com](mailto:robert-stewart-3880@ecf.pacerpro.com); [docketflow@foley.com](mailto:docketflow@foley.com)

AMY N. TIRRE on behalf of Interested Party Element Global, Inc.  
[amy@amytirrelaw.com](mailto:amy@amytirrelaw.com), [admin@amytirrelaw.com](mailto:admin@amytirrelaw.com)

AMY N. TIRRE on behalf of Interested Party Empire Capital Management, LLC  
[amy@amytirrelaw.com](mailto:amy@amytirrelaw.com), [admin@amytirrelaw.com](mailto:admin@amytirrelaw.com)

U.S. TRUSTEE - RN - 7  
[USTPRegion17.RE.ECF@usdoj.gov](mailto:USTPRegion17.RE.ECF@usdoj.gov)

/s/ Elizabeth Fletcher, Esq.  
ELIZABETH FLETCHER, ESQ.

# EXHIBIT A

**From:** [Elizabeth Fletcher](#)  
**To:** [Oines, Ronald](#); [mcl3303@aol.com](mailto:mcl3303@aol.com); [Ostrow, Ellen E.](#); [Louis Bubala Esq.](#); [Louis Bubala \(LBubala@kcnvlaw.com\)](mailto:LBubala@kcnvlaw.com)  
**Cc:** [Amy Tirre](#); [Elizabeth Dendary](#)  
**Subject:** RE: In re Metal Recovery Solutions  
**Date:** Tuesday, July 18, 2023 2:44:29 PM

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Ron-

Given what the Trustee's counsel has indicated below – that he will close with the Jex/Seal funds but would like to keep the hearing only as a status hearing – does that change GLA's position on its motion, *i.e.*, GLA will withdraw it? Or does GLA still intend to pursue the request to have GLA close the sale?

Liz

**Elizabeth Fletcher, Esq.**

Fletcher & Lee

448 Ridge Street

Reno, Nevada 89501

775-324-1011

[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)

[www.fletcherlawgroup.com](http://www.fletcherlawgroup.com)

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**From:** Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)>

**Sent:** Tuesday, July 18, 2023 1:54 PM

**To:** [mcl3303@aol.com](mailto:mcl3303@aol.com); [Ostrow, Ellen E. <eostrow@foley.com>](mailto:Ostrow, Ellen E. <eostrow@foley.com>); Elizabeth Fletcher <[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)>; Louis Bubala Esq. <[lbubala@armstrongteasdale.com](mailto:lbubala@armstrongteasdale.com)>; Louis Bubala (LBubala@kcnvlaw.com) <[lbubala@kcnvlaw.com](mailto:lbubala@kcnvlaw.com)>

**Cc:** Amy Tirre <[amy@amytirrelaw.com](mailto:amy@amytirrelaw.com)>; Elizabeth Dendary <[edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)>

**Subject:** RE: In re Metal Recovery Solutions

Ok, thanks Mike.

Ron

---

**From:** [mcl3303@aol.com](mailto:mcl3303@aol.com) <[mcl3303@aol.com](mailto:mcl3303@aol.com)>

**Sent:** Tuesday, July 18, 2023 12:35 PM

**To:** [Ostrow, Ellen E. <eostrow@foley.com>](mailto:Ostrow, Ellen E. <eostrow@foley.com>); Elizabeth Fletcher <[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)>; Louis Bubala Esq. <[lbubala@armstrongteasdale.com](mailto:lbubala@armstrongteasdale.com)>; Louis Bubala ([LBubala@kcnvlaw.com](mailto:LBubala@kcnvlaw.com)) <[lbubala@kcnvlaw.com](mailto:lbubala@kcnvlaw.com)>; Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)>

**Cc:** Amy Tirre <[amy@amytirrelaw.com](mailto:amy@amytirrelaw.com)>; Elizabeth Dendary <[edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)>

**Subject:** Re: In re Metal Recovery Solutions

Hi Ron. All funds have been received by the Trustee from JEX and Dr. Seal (\$2.4 Million Certified Funds). This complies with the agreement that was placed on the record at the last hearing. I will be filing a brief response to your motion indicating this. I believe we should keep the hearing on calendar for a status hearing since GLA's

motion was filed after the agreement was placed on the record and the Judge may have his own thoughts. It is my position that the Trustee is obliged to proceed with the sale to Jex/Seal since they have complied with the payment terms early.

On Tuesday, July 18, 2023 at 10:46:01 AM PDT, Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)> wrote:

If the Trustee and the Court conclude that it is necessary and appropriate to go forward with the sale to Jex/Seal, GLA accepts that. However, if the Trustee and/or the Court believe it would be appropriate to proceed with GLA's offer, GLA is prepared to close.

Ron

Note, it appears you used the wrong email address for Lou, but I added his correct email address to this email.

---

**From:** Ostrow, Ellen E. <[eoostrow@foley.com](mailto:eoostrow@foley.com)>  
**Sent:** Tuesday, July 18, 2023 10:25 AM  
**To:** Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)>; Elizabeth Fletcher <[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)>; Louis Bubala Esq. <[LBubala@armstrongteasdale.com](mailto:LBubala@armstrongteasdale.com)>  
**Cc:** Amy Tirre <[Amy@amytirrelaw.com](mailto:Amy@amytirrelaw.com)>; [mcl3303@aol.com](mailto:mcl3303@aol.com); Elizabeth Dendary <[edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)>; Ostrow, Ellen E. <[eoostrow@foley.com](mailto:eoostrow@foley.com)>  
**Subject:** RE: In re Metal Recovery Solutions

Ron, given that the purchase price has been paid, does GLA intend to prosecute its motion?

Thank you,

Ellen

**Ellen E. Ostrow**

*Senior Counsel*

Foley & Lardner LLP | Salt Lake City, UT  
Phone 801.401.8952  
[Visit Foley.com](http://VisitFoley.com) | [eoostrow@foley.com](mailto:eoostrow@foley.com)



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**From:** Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)>  
**Sent:** Tuesday, July 18, 2023 11:19 AM  
**To:** Elizabeth Fletcher <[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)>; Louis Bubala Esq. <[LBubala@armstrongteasdale.com](mailto:LBubala@armstrongteasdale.com)>



**Cc:** Amy Tirre <[Amy@amytirrelaw.com](mailto:Amy@amytirrelaw.com)>; Ostrow, Ellen E. <[eostrow@foley.com](mailto:eostrow@foley.com)>; [mcl3303@aol.com](mailto:mcl3303@aol.com);  
Elizabeth Dendary <[edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)>  
**Subject:** RE: In re Metal Recovery Solutions

**\*\* EXTERNAL EMAIL MESSAGE \*\***

Liz,

It is our understanding that the Trustee wishes to keep the hearing on calendar.

Ron

---

**From:** Elizabeth Fletcher <[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)>  
**Sent:** Monday, July 17, 2023 4:15 PM  
**To:** Louis Bubala Esq. <[L.Bubala@armstrongteasdale.com](mailto:L.Bubala@armstrongteasdale.com)>; Oines, Ronald <[roines@rutan.com](mailto:roines@rutan.com)>  
**Cc:** Amy Tirre <[Amy@amytirrelaw.com](mailto:Amy@amytirrelaw.com)>; [eostrow@foley.com](mailto:eostrow@foley.com); [mcl3303@aol.com](mailto:mcl3303@aol.com); Elizabeth Dendary <[edendary@fletcherlawgroup.com](mailto:edendary@fletcherlawgroup.com)>  
**Subject:** In re Metal Recovery Solutions

Lou and Ron-

I brought Dr. Seal's cashiers check to Mike today; therefore, the purchase price has been paid in full. I am writing to ask that you withdraw GLA's motion set for hearing on Wednesday since it is now moot. It does not make sense to require everyone to respond to the motion and attend a hearing at this point. Please advise-

Liz

**Elizabeth Fletcher, Esq.**

Fletcher & Lee

448 Ridge Street

Reno, Nevada 89501

775-324-1011

[efletcher@fletcherlawgroup.com](mailto:efletcher@fletcherlawgroup.com)

[www.fletcherlawgroup.com](http://www.fletcherlawgroup.com)

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